
ZONING ORDINANCE ADVISORY COMMITTEE
DALLAS DEVELOPMENT CODE AMENDMENT
FILE NO. DCA 156-008

Thursday, September 28, 2017

Voluntary Inclusionary Zoning

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Request:

Consideration of amending the Dallas Development Code to create regulations for voluntary inclusionary zoning.

Background/Prior City Actions

In June 2006, City Council adopted **forwardDallas!** The vision document for **forwardDallas!** reports that workshop attendees wanted “more housing near jobs within the city.” Throughout the plan, implementation measures call for a better connection between jobs and housing:

- Implementation Measure 2.1.1.7 (Economic Element) calls for encouraging “a range of housing options through zoning regulations while being transparent and predictable to property owners and prospective developers.”
- Policy 1.1.2 says “It is important to create a balance between jobs and housing, improve public transit opportunities and promote high quality development.”
- Implementation Measure 1.2.2.2 (Land Use) says “Guide private development toward zoning that: Maintains a healthy balance of jobs and households...and emphasizes mixed-use development, especially around transit stations...”

On November 22, 2013, the Department of Housing and Urban Development issued a **finding** of non-compliance with federal discrimination laws to the City of Dallas related to a proposed multifamily project at 1600 Pacific Avenue in downtown.

On November 5, 2014, the Department of Housing and Urban Development and the City of Dallas signed a voluntary compliance agreement (**HUD VCA**) to encourage the development of housing at a wide variety of price points and to create greater economic opportunity in areas of concentrated poverty. The agreement expires on November 5, 2017.

- Settlement Action 1 in the HUD voluntary compliance agreement requires the city to:
 - Develop a strategy to encourage: (i) the development of affordable housing throughout the City, including housing for low- and very-low-income residents; and (ii) the creation of greater economic opportunity in [areas] that are concentrated by poverty...”

- Develop the strategy as part of the City's Assessment of Fair Housing and its obligation to affirmatively further fair housing

On October 7, 2015, City Council adopted the **Neighborhood Plus Plan**.

- Goal 6.1: Raise the quality of rental property through better design standards...
- Goal 6.2: Expand affordable housing options and encourage its distribution throughout the city and region.
 - 6.2.3: Develop, adopt and implement a new policy and guidelines through a variety of incentives which may include projects requesting increased development rights through zoning changes, to receive density bonuses in proportion to the number of affordable residential units provided; waiver of fees; parking reductions; tax abatements; zoning incentives; and other solutions utilized nationally."
- Goal 6.3: Align planning, funding, and community investment within ¼ mile of DART stations...

Housing Committee Briefings Related to Housing Policy

- On November 2, 2015, Betsy Spencer from the City of Austin presented Austin's Strategies to Promote Affordability to the City Council Housing Committee.
- On February 16, 2016, representatives from The Real Estate Council (TREC) presented A Toolkit of Options to Encourage Mixed Income Housing to the City Council Housing Committee.
- On February 28, 2016, the Urban Land Institute presented their Planning Advisory Services Report on Affordable Housing and Mixed Income Strategies to City Council members, City staff, and interested parties.
- On April 4, 2016, representatives from Inclusive Communities Project presented recommended elements for the City to include in the City's proposed housing policy to the City Council Housing Committee.
- On April 4, 2016, Council Member Lee Kleinman presented Marketable Housing Certificates to the City Council Housing Committee.
- On August 29, 2016, staff briefed the City Council Housing Committee on Affordable Housing Policy: TIF Districts and Public Private Partnership Program.
- On April 17, 2017, City Council Housing Committee received an executive summary of the City of Dallas Housing Policy.

On May 16, August 1, and May 15, 2016, staff briefed the City Council Housing Committee on Voluntary Inclusionary Zoning.

On June 22, July 20, August 8, August 17, and September 28, staff briefed the City of Dallas Zoning Ordinance Advisory Committee on Voluntary Inclusionary Zoning.

Background/General Information:

Voluntary inclusionary zoning can provide a wider variety of housing options to a wider variety of people in a wider variety of areas, particularly in areas of high opportunity, by encouraging the inclusion of residential units reserved for families making less than the area median income in otherwise market-rate rental developments.

HUD rules require the City to affirmatively further fair housing, and one way to do that is to actively encourage housing at a wide variety of price points throughout the city.

- Voluntary inclusionary zoning can, with appropriate controls:
- Provide an additional tool to create mixed-income housing throughout the city, potentially without additional financial subsidies.
- Reduce sprawl by encouraging additional pedestrian-oriented and multi-modal adjacent development in targeted areas.
- Encourage development on under-utilized tracts of land.
- Begin to produce market-rate housing in racially and ethnically concentrated areas of poverty.
- Provide more housing choices, particularly for those families living in racially and ethnically concentrated areas of poverty.

In Texas, cities cannot mandate inclusionary zoning, but *can* create incentives, contract commitments, density bonuses, or other voluntary programs to increase the supply of moderate or lower-cost housing units.

Staff research shows that few developers utilize the City's low-density multifamily and mixed-use districts.

- More than 65,000 units originally built in the 1970s and 1980s currently exist on property in MF-1(A) and MF-2(A) districts, whereas less than 5,000 units built after 2010 are in those same districts.
- These districts can be used to incentivize additional mixed-income communities.

A voluntary inclusionary zoning code amendment should:

- Incentivize additional housing available to families at a wide variety of income levels in a wide variety of locations, helping to create mixed income neighborhoods
 - Encourage urban and pedestrian-oriented mixed-income development with appropriate amenities in targeted areas
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- Be financially viable for the developer: Benefits of development bonuses should offset the costs of providing the affordable units.
 - Continue to encourage new residential development at all price points, benefitting all current and new residents of Dallas. Increased supply can lower unit price or at least reduce the rate of increase.
 - Be designed to fit well within the context of existing neighborhoods and districts.
 - Differentiate provision of reserved units based on the base zoning district.

Additional density should

- Be targeted to areas of high opportunity near transit, jobs, and services;
- Be disbursed throughout the city;
- Encourage mixed-income neighborhoods;
- Strengthen distressed areas; and
- Be consistent with **forwardDallas!** and Neighborhood Plus

Development bonuses under this proposal are voluntary. If a developer does not want to take advantage of the bonus, he or she can.

- Utilize the existing zoning without the bonus
- Apply for a zoning change

Issues:

Housing shortage, lack of affordable units, and filtering as a partial fix

- “A recent Freddie Mac market commentary noted that the total number of housing starts (single family plus multifamily) in 2015 was 30 percent below the historical average between 1970 and 2007. The National Association of Realtors estimates that the nationwide supply of for-sale and rental units combined is 3 million units short of current demand.”
- The theory of filtering says that when new rental units and single-family homes are added to an area, those with the means will move to these newer units, leaving a vacancy that others can move into (absorb). This continues down to the lowest-quality housing, which is then abandoned and demolished or renovated and re-populated.
 - Filtering is less efficient in areas that are short on housing supply.

Rent burden

- Families that spend more than 30% of total income on housing (including utilities) are considered rent burdened. More than 20,000 households in Dallas earn \$35,000
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- \$75,000 and still pay more than 30% of their income in rent. Overall, more than 130,000 households in the city are rent burdened. Voluntary inclusionary zoning can help to serve these families.

- Per MPF Research Inc., average rent in Dallas has now topped \$1,000 a month, up from \$850 five years ago.
- To avoid being rent-burdened, families making 60% to 80% of area median income (AMI) would need to pay less than \$1,000 a month for rent. Market conditions constrain those families to aging developments built before 1990 or newer developments in a limited number of lower-income areas.
 - However, occupancy is above 94% in all markets. 95% is considered essentially full.
- The rent affordable to families making 80% of AMI has remained essentially flat for the past 10 years, whereas average rents in the city of Dallas have risen from just under \$700 a month in 2008 to nearly \$1,000 a month in 2017, a 42% increase.

Access to transit and walkable neighborhoods

- Transportation costs can be an additional burden not only on households but on city infrastructure
- Additional density can spur transit service, and improved pedestrian infrastructure can make walking easier and more pleasant for residents near existing transit service.

Historical patterns of segregation

- Dallas is one of many American cities to continue to see the effects of historical segregation and redlining.
- Between 1935 and 1940, during the New Deal, the Home Owners' Loan Corporation (HOLC), as an agency of the federal government, created "maps that color-coded credit worthiness and risk on neighborhood and metropolitan levels.... Through HOLC...real estate appraisers used the apparent racial and cultural value of a community to determine its economic value." (Mapping Inequality website) As can be seen on maps digitized by Mapping Inequality (link below), those areas that were marked "hazardous" or "definitely declining" in 1935-1940 correspond with areas of Dallas that have rebounded only in the past two decades (partially as a result of significant city investment) or are still transitioning toward strength. Data and maps here: <https://tinyurl.com/RedliningDallas>

Moving to Opportunity and other benefits

- The US Department of Housing and Urban Development (HUD) began a randomized social experiment in the 1990s to determine if helping impoverished families move to low-poverty areas would improve outcomes. In general, women and

young children who moved to low-poverty areas improve health, happiness, and future outcomes like earning potential, family stability, and college attendance.

- Raj Chetty and his Equality of Opportunity Project studied data from the Moving to Opportunity project and have shown that there is a strong correlation between the quality of a neighborhood and the likelihood of success of that neighborhood's children, separate from the strength of the individual family. That is, when impoverished families moved to low-poverty neighborhoods with good schools, those children did better on multiple fronts, including earning power as adults, college attendance, quality of college attended, single parenthood, and neighborhood poverty in adulthood.
 - The policy lesson: 1) increase the ability of impoverished families to move to high opportunity areas and 2) improve impoverished neighborhoods by concentrating on factors that affect children (like school quality and income mix).
 - The papers are available here (under The Effects of Neighborhoods on Intergenerational Mobility): <http://www.equality-of-opportunity.org/documents/>

Real estate finance fundamentals

Because this proposal must be voluntary, the cost of reserving units for families making less than a certain percentage of median income must be off-set by benefits to the development's cost structure.

- Any voluntary inclusionary zoning ordinance must have enough flexibility to encourage development at a wide variety of price points.
- Even with a City subsidy, such as in Dallas' tax increment finance districts, if the policy is too strict, developers will choose other paths.
- Neighborhood Plus Goal 6.2.3 acknowledged that any incentive must be in proportion to the number of affordable units provided.

Effectiveness

Based on preliminary analysis:

- The city has approximately 1,250 acres of land without structures (vacant or parking lots) in these low-density zoning districts.
 - These properties, if built out at an average of 95 units an acre, could produce 75,000 additional units over time, including 3,000 to 6,500 affordable units (assuming 5%-10% set aside).
 - In the absence of this proposed code amendment, these parcels may remain vacant or go through a zoning change to produce *market-rate* units, but it is unlikely that they will produce any *affordable* units.
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- The city has approximately 1,565 acres of land that is either vacant or that has multifamily structures rated “poor”, “very poor”, or “unsound” in these low-density zoning districts.
 - These properties, if built out at approximately 95 units an acre, could produce more than 100,000 new units over time, including 4,572 to 9,143 affordable units (assuming 5%-10% set aside), replacing over time the 7,228 existing naturally affordable (but potentially unsafe) units on these parcels.
 - In the absence of this proposed code amendment, these parcels may become (and then remain) vacant, or they may go through a zoning change to produce *market-rate* units, but it is unlikely that they will produce any *affordable* units at any level of affordability. (Source: PNV, draft data)

Staff Proposal:

Three-pronged approach:

- Provide development bonuses in multifamily and mixed-use zoning districts for the provision of mixed-income housing.
 - Allow for increased height and remove minimum lot-size constraints in MF-1(A) and MF-2(A) districts
 - Allow for additional density and floor area ratio in MU-1 and MU-2 districts.
 - Incorporate parking reductions that incentivize residential units with proximity to transit and larger units designed for families by requiring a minimum number of parking spaces per unit rather than per bedroom.
 - Continue to enforce residential proximity slope.
- Amend existing Standard Affordable Housing (SAH) districts to match changes to standard districts for development bonuses.
- Amend Section 51A-4.900 to update implementation rules for set-aside units.

Development bonuses

- Differentiate provision of set-aside units based on whether the property is in a:
 - High opportunity area
 - Dallas Census tracts with a poverty rate of less than 20% and
 - In the attendance zone of an elementary school that has a state accountability rating of “Met Standard” from the Texas Education Agency
 - Racially and ethnically concentrated area of poverty (R/ECAP)
 - Non-white population of 50% or more and
 - Poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan area, whichever threshold is lower
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- Other areas
 - Poverty rate between 20% and 40%, or
 - Non-white population less than 50%, or
 - Either poverty rate greater than 40% or non-white population greater than 50% (but not both)

- Note: The City is working on a Market Value Analysis (MVA). The results of that MVA will be folded into this proposal and the three geographic categories are likely to be updated to match categories created through the MVA process, such as strong, distressed, and transitioning.

Proposed development bonus details for each zoning district follow:

MF-1 and MF-2 Districts											
	Current	High opportunity area			TOD			Non-RECAP			RECAP
		5% at 60%	5% at 60% & 5% at 80%	5% at 60% & 5% at 80% & 5% < 100%	5% at 80%	10% at 80%	10% at 80% & 5% at 100%	5% at 80%	10% at 80%	10% at 80% & 5% at 100%	none required
Setbacks	10-15'	no changes									
Max unit density	none	85	105	130	95	120	150	80	95	120	95
FAR	none	no changes									
Height	36'	51'	66'	78'	66'	85'	95'	51'	66'	85'	66'
Max stories	no max	no changes									
Lot coverage	60%	80%	80%	80%	80%	85%	85%	80%	80%	85%	80%
Min lot size/unit	varies	remove requirements									
Res. Proximity Slope	required	no changes									

MU-1 District											
	Current	High opportunity area			TOD			Non-RECAP			RECAP
		5% at 60%	5% at 60% & 5% at 80%	5% at 60% & 5% at 80% & 5% < 100%	5% at 80%	10% at 80%	10% at 80% & 5% at 100%	5% at 80%	10% at 80%	10% at 80% & 5% at 100%	none required
Setbacks	0-20'	no changes									
Max unit density	15-25	current + 65 = 80 to 90	current + 80 = 95 to 105	current + 105 = 120 to 130	current + 80 = 95 to 105	current + 105 = 120 to 130	current + 135 = 150-160	current + 65 = 80 to 90	current + 80 = 95 to 105	current + 105 = 120 to 130	current + 80 = 95 to 105
FAR	1-1.1	Remove FAR requirement									
Height	80-120	no change									
Stories	7-9	no change									
Lot coverage	80%	no change									
min lot size/bdrm	n/a	no change									
Res. Proximity Slope	required	no changes									

MU-2 District											
	Current	High opportunity area			TOD			Non-RECAP			RECAP
		5% at 60%	5% at 60% & 5% at 80%	5% at 60% & 5% at 80% & 5% < 100%	5% at 80%	10% at 80%	10% at 80% & 5% at 100%	5% at 80%	10% at 80%	10% at 80% & 5% at 100%	none required
Setbacks	0-20'	no changes									
Max Unit density	50-100	current + 40 = 90-140	current + 60 = 110-160	current + 80 = 130-180	current + 40 = 90-140	current + 60 = 110-160	current + 80 = 130-180	current + 35 = 85-135	current + 55 = 105-155	current + 75 = 125-175	current + 50 = 100-150
FAR	2.0-2.25	Remove FAR requirement									
Height	135-180	no change									
Stories	10-14	no change									
Lot coverage	80%	no change									
min lot size/bdrm	n/a	no change									
Res. Proximity Slope	required	no changes									

Parking reductions

- Current requirements:
 - For MF-1(A), Section 51A-4.116(a)(5) says this regarding parking: “Consult the use regulations (Division 51A-4.200) for the specific off-street parking requirements for each use. Consult the off-street parking and loading regulations (Divisions 51A-4.300 et seq.) for information regarding off-street parking and loading generally.”
 - Similar language for MF-2(A), MU-1, and MU-2
 - Section 51A-4.209(b)(5)(c) Required off-street parking for multifamily uses: “One space per bedroom with a minimum of one space per dwelling unit. An additional one-quarter space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.”
 - Section 51A-2.102(9): “BEDROOM means any room in a dwelling unit other than a kitchen, dining room, living room, bathroom, or closet. Additional dining rooms and living rooms, and all dens, game rooms, sun rooms, and other similar rooms are considered bedrooms.”
 - Section 51A-4.301 governs off-street parking and outlines ratios, location, and other regulations.
- Recommended requirement:
 - 1 ¼ space per unit. An additional ¼ space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.
 - For transit-oriented development (TOD) areas: 1 space per unit. An additional ¼ space per dwelling unit must be provided for guest parking if the required parking is restricted to resident parking only. No additional parking is required for accessory uses that are limited principally to residents.
 - See Design Standards below for additional regulations regarding parking.

Design standards

- Overview
 - Additional design controls can reduce auto dependency, reduce the need for parking, encourage alternative modes of transit, and improve transit accessibility, particularly for transit-dependent residents. Some design goals:
 - No parking and only minimal drive aisles in front of the building (between building and street)

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- Ground-floor entrances to open directly to the sidewalk or open space
 - Pedestrian amenities such as wide sidewalks and street trees.
 - Require minimum amount of ground floor transparency and set encourage architecturally interesting buildings.
 - Only short fences with pedestrian gates allowed.
 - Provide a minimum percentage of the property as open space intended to provide active or passive recreation, to provide landscaping area, or to enable groundwater recharge, for example. Open space is not intended to be driven or parked upon.
 - Note: PDs used as examples/sources: PD Nos. 193, 298, 714, 745, 758, 763, 773, 811, 860, 970
- Specific requirements
 - Additional provisions for yard, lot, and space regulations:
 - Setbacks
 - Balconies and unenclosed stairs and stoops, outside seating areas, retaining walls, benches, landscaping, fences not to exceed 48", planters, etc. are permitted within the required front yard.
 - Open space
 - At least 10% of the lot must be reserved as open space.
 - Height
 - Residential proximity slope continues to be applied.
 - Off-street parking and loading:
 - Surface parking
 - Except for passenger loading zones, no surface parking, parking lot, parking surface, or driving surface is permitted between the façade facing the front yard and the street.
 - All surface parking must be screened from the street and residentially-zoned property.
 - Parking structures.
 - All aboveground parking structures must be wrapped by a building or have a facade that is similar in materials and appearance to the facade of the main structure the parking serves.
 - Loading
 - Service entries, loading areas and loading docks should be screened and located away from the facade facing the front yard.

- Each lot must provide one off-street or on-street passenger loading space.
- Landscape and streetscape standards
 - Sidewalks and buffers:
 - A minimum five-foot-wide sidewalk with at least five feet of unobstructed width must be provided
 - Provide a landscape buffer between the sidewalk and the street to protect pedestrians from traffic.
 - Pedestrian lighting must be provided along the sidewalks.
- Urban design and structure facade standards.
 - A minimum percentage of the ground floor street-facing dwelling units must have individual entries that access the street with an improved path connecting to the sidewalk.
 - Individual entries may be gated and private yards separated from the public space with a short fence.
 - All public entrances must be architecturally prominent.
 - Building facades should meet minimum architectural standards that include elements such as building material variation, articulation, awnings, increased transparency, and variations in building massing.

Implementation Guidelines

- Procedures
 - Developer applies for a development bonus
 - City reviews, recommends changes, accepts (or denies) application.
 - City follows normal development requirements for building inspection, zoning review, etc. to issue a building permit
 - Developer deed restricts the development parcel for the specified number of rental units to be reserved for the specified income levels prior to building permit issuance.
 - Developer develops property and reserves specified number of units. Developer submits initial compliance paperwork prior to issuance of final certificate of occupancy (CO).
 - City reviews compliance paperwork (including deed restriction) as part of the review for CO.
 - Developer (and all subsequent owners) submits compliance paperwork regularly during period of ownership. Requirements stay with the development, not the ownership.
- Program operation
 - Related to the development:
 - No minimum or maximum development size.

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- Deed restricted for 15 years. Development to be deed-restricted prior to issuance of any building permits for the required number of reserved units to be set aside for a minimum of 15 years. Compliance period begins when all of the required reserved units are occupied by qualifying families and continues for 15 years.
 - Certify semi-annually. Compliance to be certified semi-annually and supporting documents to be available for City audit and inspection on request.
 - Common areas, entrances and amenities available to market-rate occupants shall be available under the same terms to occupants of reserved units.
 - In general, all leasing requirements and lengths, and all fees, utility charges, assessments, fines, etc. charged by the apartment community must be applied uniformly to qualifying households and market rate households, with the exception that the developer may choose to waive or reduce fees for qualifying households.
 - Affirmatively further fair housing. Development shall comply with obligations under the Fair Housing Act and shall submit and abide by an affirmative fair housing marketing plan
 - Unit distribution. Reserved units shall be distributed throughout the development and pro rata across the unit mix and shall be comparable in size to market rate units.
 - Related to the renter:
 - Rent cap. Rents to be capped at levels set by City of Dallas using HUD and Dallas Housing Authority calculations, generally 30%, 60%, 80%, or 100% of area median income, after accounting for utilities.
 - Incomes. Qualifying income levels to be updated each year by City of Dallas using HUD calculations for various percentages of area median income. Renters to certify that reported income is accurate and complete.
 - Full-time students not eligible. In general, full-time, college-age students are not eligible for reserved units.
 - Lease terms. Households that qualify at the beginning of a lease will be assumed to qualify for the entirety of the term of that lease.
 - Related to the property owner:
 - The property owner assumes all liability for compliance with these requirements and with all applicable laws. By participating in the City's voluntary inclusionary housing program, the developer agrees to report all information accurately and on time.
 - Alternative ways to satisfy requirements for reserved units.
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- All of the required reserved units must be provided on site.
- The city may, from time to time, update the requirements of this ordinance following the City's standard code amendment procedures.
- Nothing precludes the developer or landowner from taking part in other City of Dallas, state, or federal housing incentive programs provided the requirements of this Section are met.
- Ongoing compliance
 - Program materials, policies, and standard operating procedures will be developed to implement this ordinance.

Appendix

Other Cities:

- Austin – Variety of incentive programs (SMART housing, overlays, density programs, etc.) have created more than 3,782 units at 60% to 120% of AMFI, while producing 10,996 market rate units since 2000. Another 11,258 affordable units and 31,451 market rate units are under construction. Allows fee in lieu in some instances.
 - Vertical Mixed Use (2007) – density bonus and parking standards exemptions in exchange for 10% of rental units (5% owner) designated as affordable
 - University Neighborhood Overlay (2004) – alternative dimensional standards for developers who set aside 10% of units at 60% of AMFI and 10% of units at 50% of AMFI
 - Downtown Density Bonus (2013) - 10 bonus square feet for each 1 square foot set-aside at 80% of AMFI for rental (120% AMFI for owner-occupied)
 - Planned Unit Developments (2013) – If a developer chooses to request a PUD, 10% of all single family and multifamily units in that PUD must be set aside for those at 60% of AMFI for rental (80% AMFI for owner-occupied) for 40 years and the development must accept vouchers.
 - *Examples shown only. Austin has multiple incentive programs, including SMART housing, TOD, micro unit density bonus, and area-specific incentives.
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- San Antonio offers a density bonus for units for households at 50% and 80% of AMFI.
 - 5% of units set aside at 50% of AMFI allows a 10% density bonus
 - 10% of units set aside at 80% of AMFI allows a 20% density bonus
- Houston does not have zoning and thus does not have inclusionary zoning.
- Fort Worth has encouraged density and a variety of housing types through its development standards and base zoning, not through inclusionary zoning.
- **Portland** - Two of the plan districts that control the zoning for specific areas offer density bonuses for provision of affordable housing.
 - Central City Plan District - for each square foot of floor area set aside for middle-income families, an additional 3 square feet may be built. At least 30% of the units must be set aside for those making less than 150% of AMI.
 - Northwest Plan District – increase in FAR and height in return for setting aside 10% of the units at 30% AMI, 20% at 60% AMI, or 40% at 80% AMI
- **Philadelphia** – Allows for a variety of floor area and height bonuses in certain districts in exchange for public art, mixed income housing, public space, etc. 10% of

the base units are set aside for 80-100% of AMI for 15 years. Payment in lieu allowed.

- **Chicago** – Affordable Requirements Ordinance and Downtown Density Program. Applies when developments require certain zoning changes, include land purchased from the city, receive financial incentives, or are within a PD in downtown. 10%-20% set aside at 60-120% of AMI. Nearly 20,000 units have been created since the program was created in 2003.
- New York City: Grandfathered tenants. An occupant of an affordable housing unit may include a tenant of a building on an inclusionary housing site that has been demolished for construction of an inclusionary housing development, even if the tenant's household income exceeds the income qualifications for the new affordable unit.

(<http://www1.nyc.gov/assets/planning/download/pdf/about/cpc/160051.pdf>)

Glossary

- **Absorb** (an apartment) – move from vacant to occupied. When a family moves into a vacant unit, the real estate community says that unit has been “absorbed.” When developers build new apartments, they worry that the market will “absorb” these new units.
- **Affirmatively further fair housing** - “a legal requirement that federal agencies and federal grantees further the purposes of the Fair Housing Act. This obligation to affirmatively further fair housing has been in the Fair Housing Act since 1968 (for further information see Title VIII of the Civil Rights Act of 1968, 42 U.S.C. 3608 and Executive Order 12892). HUD's AFFH rule provides an effective planning approach to aid program participants in taking meaningful actions to overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities that are free from discrimination. As provided in the rule, AFFH means "taking meaningful actions, in addition to combating discrimination, that overcome patterns of segregation and foster inclusive communities free from barriers that restrict access to opportunity based on protected characteristics. Specifically, affirmatively furthering fair housing means taking meaningful actions that, taken together, address significant disparities in housing needs and in access to opportunity, replacing segregated living patterns with truly integrated and balanced living patterns, transforming racially and ethnically concentrated areas of poverty into areas of opportunity, and fostering and maintaining compliance with civil rights and fair housing laws. The duty to affirmatively further fair housing extends to all of a program participant's activities and programs relating to housing and urban development." (<https://www.hudexchange.info/programs/affh/>)

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- **Analysis of Impediments** – previous method by which cities documented and fulfilled their fair housing obligations
 - **Assessment of Fair Housing** – new method by which cities document and fulfill their fair housing obligations. The Assessment of Fair Housing includes 1) Patterns of integration and segregation; 2) Racially or ethnically concentrated areas of poverty; 3) Disparities in access to opportunity; and 4) Disproportionate housing needs. The process includes data from HUD, analysis of this data, review and response from the jurisdictions, and incorporation into subsequent planning processes and action. (<https://www.hudexchange.info/programs/affh/overview/>)
 - **Area Median Family Income** (or Area Median Income) AMFI or AMI – The Department of Housing and Urban Development (HUD) uses Census data (specifically, the American Community Survey) to calculate income limits for the purposes of determining eligibility for rental assistance programs. Although HUD uses percentage of median income and family size as category labels, the actual income limits are calculated according to statutory regulations. They start with calculating the income limit for very low-income family of four at 50% of the estimated area median family income and adjusting it in a variety of ways. From there, they calculate incomes for extremely low-, low-, median-, etc. limits and then adjust for family size. For 2017, the 4-person very-low income limit for the Dallas area is \$36,700, and the 100% of median income limit for a family of four is \$73,400. See chart at end of page for estimated actual Dallas city incomes versus Dallas area incomes per the 2015 American Community Survey from the Census. <https://www.huduser.gov/portal/datasets/il/il17/IncomeLimitsBriefingMaterial-FY17.pdf>
<https://www.huduser.gov/portal/datasets/il/il2017/2017ILCalc3080.odn>
 - **Dallas area** (for the purposes of calculating HUD’s income limits) - Collin, Dallas, Denton, Ellis, Hunt, Kaufman, and Rockwall counties. This is the same as or similar to the Census definition of the Dallas-Plano-Irving, TX Metro Division of the DFW Metropolitan Statistical Area (MSA)
 - **Demand** - the number of housing units needed in a particular time frame.
 - **Filtering** - A housing economics term. When new rental units and single family homes are added to an area, those with the means will move to these newer units, leaving a vacancy that others can move into (absorb). This continues down to the lowest-quality housing, which is then (theoretically) abandoned and demolished or renovated and re-populated.
 - **Floor area** – generally, the “total square feet of floor space in a building measured to the outside faces of exterior walls or to the omitted wall lines, whichever produces the larger area,” with some exceptions. (See Sec. 51A-2.102 for details.)
 - **Floor area ratio (FAR)** – ratio of floor area to lot area.
 - **ForwardDallas!** – the City’s comprehensive plan. Available here: <http://dallascityhall.com/departments/pnv/strategic-planning/Pages/comprehensive-plan.aspx>
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- **Front yard** - that portion of a lot which abuts a street and extends across the width of the lot between the street and the setback line.
 - **HUD** - U.S. Department of Housing and Urban Development (HUD) – the arm of the federal government whose mission is “to create strong, sustainable, inclusive communities and quality affordable homes for all. HUD is working to strengthen the housing market to bolster the economy and protect consumers; meet the need for quality affordable rental homes; utilize housing as a platform for improving quality of life; build inclusive and sustainable communities free from discrimination, and transform the way HUD does business.”
 - **High opportunity areas** - In Dallas, Dallas Census tracts with a poverty rate of less than 20% that are also in the attendance zone of an elementary school that has a state accountability rating of “Met standard” from the Texas Education Agency
 - **Income limits** – The highest amount of money a family can earn and still qualify for a particular housing unit. For example, in tax increment financing districts (TIF districts) in Dallas, some apartments are set aside for those making 80% of the area median family income (AMFI). In 2017, 80% of AMFI for a family of four is \$58,700.
 - **Lot area** - the total square feet contained within lot lines.
 - **Market Value Analysis** – The City has engaged Reinvestment Fund to study its real estate market to determine which areas in the city are strong markets, which are distressed, and which are transitioning up (or down). “The Reinvestment Fund believes that cities should use scarce public resources to build from areas of strength in order to enlarge those nodes of strength. The MVA is a data-based tool to inform community revitalization and manage neighborhood change; it identifies different types of markets, and those places where public intervention and larger public investment activities can stimulate private market activity. It is a unique approach using spatial and statistical analysis to identify and characterize local conditions throughout a locality, creating an internally-referenced index of residential real estate markets.” (<https://www.reinvestment.com/policy-solutions/market-value-analysis/>)
 - **Neighborhood Plus** – adopted plan to improve housing in Dallas, available at <http://dallascityhall.com/departments/pnv/strategic-planning/DCH%20Documents/Web%20-%20Neighborhood%20Plus%20Plan%20-%20Adopted%2010-07-2015.pdf>
 - **Qualifying family** – a family that meets the eligibility requirements for an affordable unit.
 - **Racially and ethnically concentrated areas of poverty (R/ECAP)** – Dallas Census tracts with a non-white population of 50 percent or more and a poverty rate that exceeds 40% or is three or more times the average tract poverty rate for the metropolitan area, whichever threshold is lower
 - **Rent burdened** – A family is considered “rent burdened” when it spends more than 30% of total income on housing (including utilities).
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- **Rent limits** – the maximum rent that can be charged a qualifying family. For example, if units are set aside for families at 80% of area median family income, the maximum monthly rent that can be charged for a two-bedroom unit for that family in 2017 in Dallas is \$1,139, excluding utilities.
 - **Return on cost** – total cost of a development divided by net operating income (gross income minus operating expenses including taxes). This is one of many metrics developers use to determine whether a project is viable.
 - **Set aside** – the number of housing units in a development that are designated for families making less than a particular income level
 - **Setback line** - a line marking the minimum distance a building may be erected from a street, alley, or lot line (also called the “building line”)
 - **Standard Affordable Housing (SAH)** – as defined in Dallas City Code 51A-4.900: a dwelling unit of adequate size: (1) leased or offered for lease to a lower income family for an amount equal to or less than the SAH rental rate; or (2) that satisfies all necessary criteria, as determined by the appropriate federal or state governmental authority, for low income family occupancy to qualify a project for federal or state tax relief or other housing or financial assistance under a program established by and administered in accordance with federal or state law for the purpose of aiding low income families in obtaining a decent place to live.
 - **Story** - that portion of a building between any two successive floors or between the top floor and the ceiling above it.
 - **Supply** – the number of housing units ready for occupancy in a particular time frame.
 - **Transit Oriented Development (TOD)** – specific definitions can vary, but TOD is generally compact, walkable development within ¼ to ½ mile of transit facilities, such as a bus stop or a train station. Development near a transit facility that does not provide a walkable connection to the transit facility is known as transit adjacent development.
 - **Voluntary Compliance Agreement (VCA)** – agreement between two parties reached voluntarily instead of continuing court or government enforcement action. When HUD investigates whether an organization is in compliance with its regulations, it issues a Letter of Findings. In response to that Letter, HUD and the organization can come to an agreement about how the organization will proceed. That agreement is often known as a voluntary compliance agreement.
 - **Voluntary Inclusionary Zoning (VIZ)** - a type of zoning that incentivizes developments to provide housing at a wide variety of income levels to help overcome historic patterns of segregation and promote fair housing choice
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City of Dallas incomes versus Dallas Area incomes versus HUD-calculated Dallas Area incomes

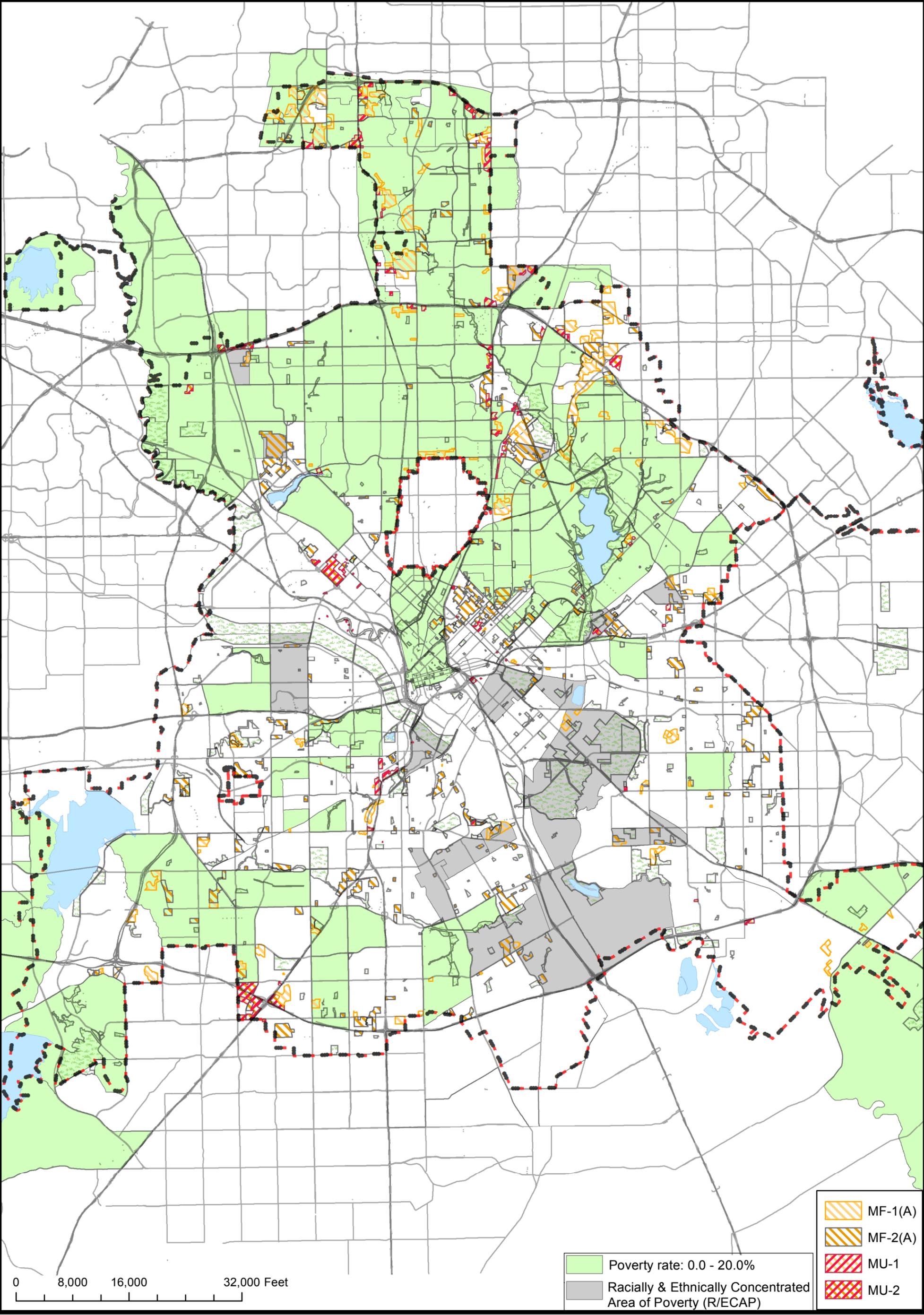
2015 is the latest available for American Community Survey data.

Note: HUD uses 2014 ACS data and adjusts it for inflation to calculate 2017 income limits.

2017 Incomes - Dallas Area (HUD)			
HH	60%	80%	100%
1	\$30,828	\$41,100	\$51,380
2	\$35,232	\$47,000	\$58,720
3	\$39,636	\$52,850	\$66,060
4	\$44,040	\$58,700	\$73,400
5	\$47,563	\$63,400	\$79,272
6	\$51,086	\$68,100	\$85,144

2015 American Community Survey 5-year estimates				
HH	City of Dallas	Dallas County	Dallas Metro. Div.	DFW MSA
total	\$43,781	\$50,270	\$60,394	\$59,946
1	\$33,174	\$34,353	\$36,182	\$34,967
2	\$57,790	\$61,576	\$68,585	\$67,842
3	\$48,728	\$57,008	\$72,932	\$72,395
4	\$46,098	\$57,402	\$81,510	\$81,145
5	\$44,020	\$53,394	\$71,183	\$71,287
6	\$44,545	\$52,920	\$65,290	\$64,058

*Dallas Metro Div includes Dallas, Collin, Denton, Hunt, Rockwall, Kaufman, and Ellis counties
 *Table B19019 - 2015 ACS 5-year estimates; income for actual household size



Low Poverty and R/ECAP Areas